RESOLUTION NO. 2008-262

Adopted by the Sacramento City Council

May 6, 2008

APPROVING REVISED ADVISORY COMMITTEE GUIDELINES AND 2008 PROJECT ALLOCATION FOR THE ETHEL MACLEOD HART TRUST FUND

BACKGROUND

A. On May 14, 1996, the City Council approved the Ethel MacLeod Hart Trust Fund Advisory Committee Purpose and Guidelines (the "Guidelines"), see Resolution Number 96-202. The Guidelines outline the role of the Hart Trust Fund Advisory Committee (the "Advisory Committee") and its functions, and set forth policies and procedures for the administration, investment, and appropriate uses of the fund. The current Advisory Committee has revised the Guidelines and recommends that the City Council adopt the revised Guidelines, which are titled "Ethel MacLeod Hart Trust Fund – Guidelines for Advisory Committee and Trust Fund Administration."

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The Ethel MacLeod Hart Trust Fund – Guidelines for Advisory Committee and Trust Fund Administration, attached as Exhibit A to this resolution, are hereby approved.

Section 2. The Ethel MacLeod Hart Trust Fund – 2008 Project Allocation, which establishes a $25,000 Contingency Fund for unanticipated projects and program emergencies appropriate for support from the Hart Trust Fund and is attached as Exhibit B to this resolution, is hereby approved.

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Adopted by the City of Sacramento City Council on May 6, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.

Heather Fargo

Mayor Heather Fargo

Attest:

Shirley Concolino

Shirley Concolino, City Clerk

EXHIBIT A

Ethel MacLeod Hart Trust Fund

Guidelines for Advisory Committee and Trust Fund Administration

(This document replaces "Ethel MacLeod Hart Advisory Committee Purpose and Guidelines", approved by City Council May 14, 1996 see Resolution Number 96-202.)

I. Purpose

The Ethel MacLeod Hart Trust Fund Advisory Committee (the "Committee") is responsible for providing advice to City staff and the City Council on the appropriate use of the Ethel MacLeod Hart Trust Fund for Senior Citizens (the "Trust Fund") consistent with the terms of the bequest, the intent of the donor, and the approved general and operational guidelines.

II. Membership

A. The Committee consists of seven members appointed by the Mayor and confirmed by the City Council. Each member of the Committee must be at least 60 years of age and a resident of the City of Sacramento.

1. One member of the Committee must be a representative of the Sacramento County Adult and Aging Commission.

2. One member must be a representative of A.A.R.P. (formerly known as American Association of Retired Persons).

3. The other five members of the Committee must be from the population at large, and the entire Committee should reflect the socio-economic makeup of the older adult population.

B. The executor of the estate or a designated representative may serve on the Committee and participate in the discussions and deliberations, but will have no vote.

C. Members of the Committee serve without compensation.

III. Term

A. Members serve three-year terms and may not serve more than two consecutive terms. A member appointed to complete an unexpired term may complete that term and serve two additional consecutive terms.

B. A member's failure to attend two consecutive Committee meetings that have been called in accordance with law will be deemed good cause for removal of that member from office under section 232 of the Sacramento City Charter.

IV. Organization

A. The Committee shall meet at least four times each year.

B. The Committee shall select two officers: a chairperson and a vice-chairperson. Each officer serves one two-year term. City staff will serve as recording secretary.

C. The chairperson shall preside at all meetings of the Committee and perform all other duties incidental to the office of chairperson. The vice-chairperson shall perform the duties of the chairperson in the absence of the chairperson.

D. Unless otherwise stipulated, the Committee shall conduct its meetings in accordance with Robert's Rules of Order.

E. All Committee meetings must comply with the Ralph M. Brown Act (California Government Code, beginning with section 54950).

F. Voting/Committee Action

1. Official voting by members must take place on all matters requiring formal action. Four members of the Committee must be present to transact any official business. A simple majority of those present and voting may take action.

2. A member must abstain from voting on any matter with which the member is directly or indirectly connected or associated.

V. Committee Responsibilities

A. The Committee shall assist in the development of appropriate operational guidelines for the utilization of the Trust Fund, including but not limited to guidelines concerning the type of projects appropriate for funding and the process by which the funds will be allocated. These operational guidelines are to be based on the terms of the bequest, the intent of the donor, and the general guidelines identified below.

B. The Committee shall evaluate projects and programs proposed for funding utilizing the approved general and operational guidelines.

C. The Committee shall make recommendations concerning the ongoing composition, framework, and duties of the Committee.

VI. Terms of the Bequest

"I give all the rest, residue and remainder of my estate to the CITY OF SACRAMENTO, CALIFORNIA, a municipal corporation.

"I request the CITY OF SACRAMENTO to designate my gift to be the ETHEL MacLEOD HART FUND FOR SENIOR CITIZENS and I request the CITY OF SACRAMENTO use the principal of my gift, and the income therefrom, for constructing and maintaining a facility which the CITY shall make available to senior citizens for their use, enjoyment and comfort."

VII. General Guidelines

A. The Trust Fund is to benefit senior citizens through programs operated or sponsored by the City of Sacramento. Trust Fund projects must be consistent with the donor's request that the principal and income be used for constructing and maintaining a facility for the use, enjoyment, and comfort of senior citizens.

B. For purposes of Trust Fund utilization, the term "constructing," as used in the bequest, means the construction of new facilities and the expansion, rehabilitation, and refurbishing of existing facilities for senior citizens.

C. For purposes of Trust Fund utilization, the term "maintaining," as used in the bequest, means custodial and ongoing maintenance of senior-citizen facilities and appropriate operational and programmatic services for senior citizens to enhance their use, enjoyment, and comfort.

D. Suitable and prominent recognition of Mrs. Hart will be made on all uses of the Trust Fund.

E. The City of Sacramento is to administer the Trust Fund as a designated special trust fund separately accounted for and reported in the City's annual financial statement.

F. The Trust Fund is to be utilized primarily to complement and supplement City and other funding resources and not to replace those sources. The Trust Fund is to be utilized for direct tangible facilities, equipment, supplies, and

operations, minimizing, to the extent possible, indirect and overhead costs that are charged to Trust Fund projects.

G. A portion of the Trust Fund may be utilized to establish a permanent Endowment Fund for uses consistent with terms of the bequest and these guidelines. Contributions to enlarge the Endowment Fund may be sought from other sources.

H. The City Council must approve all appropriation of funds from the Trust Fund and the specific guidelines and procedures for the allocation of funds and the identification of appropriate projects and/or programs.

VIII. Operational Guidelines

The basic intent of these operational guidelines is to provide the Committee and the City Council with the flexibility to select and develop projects that are responsive to the City's mission and purpose for older adults (as reflected in the Program Development Plan for Older Adults) and are appropriate uses of the Trust Fund consistent with the terms of the bequest and the intent of the donor and the general guidelines.

A. Fund Investment Strategies

1. A permanent Endowment Fund (city-managed balanced fund) of $1,000,000 was established in 1996 and invested with the objective of growing the fund through the combination of income and capital gains.

2. Every five years the Committee shall recommend a transfer of funds from the Endowment Fund into an Operating Fund account for use on appropriate projects over the subsequent five-year period. The dollar amount transferred into the Operating Fund account each five years will be based on the general strategy of retaining a minimum of $1,000,000 in the Endowment Fund.

B. Project Guidelines

1. The Trust Fund is to support both City-wide programs for older adults and other programs targeted at the needs and interests of older adults in specific geographic sections of the City.

2. Programs funded by the Trust Fund are to be administered by the City of Sacramento, sometimes in collaboration with other community organizations.

3. The Advisory Committee shall establish a funding-allocation plan for the Operating Fund at the beginning of each five-year funding cycle. The

Advisory Committee shall update the plan in response to changing priorities or emerging issues as appropriate.

4. The Advisory Committee shall retain a portion of these funds as an emergency fund to respond to unanticipated projects and program emergencies.

5. Appropriate projects for funding:

   a. Construction and maintenance projects including construction of new facilities and expansion, rehabilitation, or upgrading of existing facilities.

   b. Replacement, new, or upgraded equipment and resource materials and supplies.

   c. Underwriting or subsidy for the enhancement and/or expansion of existing programs. The Advisory Committee shall conduct a thorough program review and evaluation before extending this type of funding beyond three years.

   d. Underwriting or subsidy (seed funding) of new programs addressing emerging or unmet senior needs. The Advisory Committee shall conduct a thorough program review and evaluation before extending this type of funding beyond three years.

   e. One-time projects.

Adopted by Committee: February 25, 2008

EXHIBIT B

Ethel MacLeod Hart Trust Fund
2008 Project Allocation

Project: **Allocation for Ethel MacLeod Hart Contingency Fund**

Establishes funding to respond to unexpected costs and immediate program needs appropriate for support from the Hart Trust Fund.

Funding: **$25,000**

Project Description

The Ethel MacLeod Hart Trust Fund – Guidelines for Advisory Committee and Trust Fund Administration (the "Guidelines") establishes that a portion of the five-year Trust Fund allocation will be retained for the purpose of responding to unanticipated projects and program emergencies.

The allocation of $25,000 for this fund will allow the Hart Trust Fund Advisory Committee to identify and immediately respond to needs for funds by City programs and projects that adhere to the Guidelines. Unspent funds will be carried over fiscal years, and the Contingency Fund will be replenished with Advisory Committee and City Council approval only.

The funding of projects and programs by the Contingency Fund must adhere to Contingency Fund guidelines established by the Hart Trust Fund Advisory Committee on September 22, 1997. Those guidelines specify that the Contingency Fund may be used for costs associated with any project or program that meets the standards in section VIII-B of the Guidelines. Allocations from the Contingency Fund may be of any amount up to the lesser of $25,000 or the balance in the Contingency Fund.

Approved by Committee: February 25, 2008